



# LEADERSHIP

## The realities for business owners

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**Leadership is often confused with management and the difference is well expressed in the saying “Anyone can manage things but few can lead people”. The difference becomes recognisable whenever the need for real leadership arises.**

It’s an elusive quality which often leads to the question “Are good leaders born or made?” Some leaders can be trained but the answer is probably a bit of both as there has to be an underlying empathy that draws the leader to the calling.

### The attributes of the leader

There have been many surveys on what attributes a good leader should have. There are dozens of papers available on the subject however, most boil down to a similar list with the top 8 being:

- Ethical
- Intelligent
- Inspiring
- Visionary (i.e. strategic)
- Good communicator
- Decisive
- Confident
- Trustworthy

As leaders know there is a need for control on the one hand and for freedom on the other; the balance lies somewhere in between. In this way both the inspiration and necessary disciplines are present to drive a venture forward. True leaders are mostly recognised for their actions; when you think about leaders you admire the mind usually turns to what they did. It’s those who accomplish things that count whether it be in business or in life. They inspire others to follow and participate.

### Know who you are

We know a good leader when we see one; it’s not exactly rocket science. How many times have we heard the catchcry from a business owner “I’ve got all these dummies, if only I could clone myself everything would be fine” - but who hired them in the first place and turned them into dummies.

It is easy to underestimate the intelligence of employees and to not appreciate that they may have worked the manager out long ago. After all who is it who comes in at 8:30am and goes home at 5:00pm to a life outside work; certainly not many owners I know.

Some do not want to lead and consider they are better off in regular employment. They do not necessarily share the same visions as owners may (they have their own) but can be quite happy to earn a fair days pay for a fair days work.

Business owners may see themselves as leaders because of their position and many are very good managers running highly complex operations. The leadership difference lies in the base culture which creates the belief in the leader’s capabilities. People don’t stay in jobs where they are uncertain about the ability of the boss or where they are poorly treated. When employees tell you good things about an owner and/or the company without prompting, it’s a strong indication they are being treated with respect.

- A good leader will work with his/her employees not over them
- Is able to command respect for who they are over what they do
- They give people and their work worth
- They communicate openly and create inclusive cultures

### Role playing

Role playing can raise the issue of lack of sincerity as some liken it to being an actor i.e.

pretending to be someone you are not. It has long been recognised that good leadership can raise productivity, initiate innovation and breed success for a business. Its simple human logic that when employees like their jobs and the way they are treated they give willingly.

It can be evident in smaller teams where multi-tasking is necessary and everyone needs to help everyone else. The desire to contribute is mutual and everyone celebrates breakthroughs together. I call it the *pioneering spirit* that imbues strong feelings of positivity and togetherness because all are contributing to something they consider worthwhile. It's a time of happiness when compliments flow spontaneously, boosting the 'esprit de corps' (morale).

How does this 'magic' come about? Employees are not actually followers in the real sense, that's a generalisation. However *followers* do expect leaders to behave in certain ways and to display certain values. For example, if a leader displays the confidence and shows the competency to accomplish a task, they are more likely to be followed. If it is discernable that he/she is hesitant and running blind then confidence in the leader can ebb away quickly.

Sometimes high staff turnover can be the result of poor leadership and micro management is a leading cause. The vast majority of employees hate this style of control known as LOTS or 'looking over the shoulder' management. It is evident in tightly controlled cultures where the fear of making mistakes and is real. It is anathema to talented people because it smothers creativity, kills innovation and locks people into the 'way things are done around here'. Close supervision should only be necessary during induction or specific training periods and never as a general management style. Leaders never micro manage – managers do!

Cultural influences cascade from the top and what a boss does sets the patterns. It's not surprising how many dodgy bosses end up with dodgy employees who rip them off. It's a reflection of the adage that like attracts like.

Customer relationships are affected by the internal culture too. If great customer relationships are to be created it must come from the inside and very good customer

service arises when there is a passion to please. We have all been in restaurants where the willingness to serve is fine but there is no passion to please; we are just numbers to be served. When the passion is there it enhances not only the service but raises the enjoyment of the whole evening - we go back to those restaurants.

We are not Gods, mistakes happen and confronting the truth is essential if we are to learn. If mistakes are not being made then no one is experimenting. That may be fine where making mistakes can be dangerous but it's not much good in normal business when innovation is essential. It will certainly kill creativity and when I hear bosses complain about lack of new ideas I wonder how much encouragement is given to experimenting.

**Fun should always be a part of the culture and don't leave people to have fun on their own – enjoy it together!**

Role playing starts at the front door of the business every morning. We all know that when you look and sound dour then so you affect those around you. What a

good way to start the day by impressing employees with a bad temper! We know if the boss is cranky employees will keep their distance; are these the traits of good leaders who then expect to be willingly followed. The leader has to know when to praise; when to lift morale; when to become the trouble shooter and when to leave well enough alone. Simple words but sometimes extraordinarily hard for some to follow – yet the success of the business may depend upon them.

If you cannot lead you cannot win. Leadership is action not position. Good leaders never panic when all about them do; the best are cool under fire and concern themselves with making the right decision. Some tricks of the trade that pay off in spades are:

- Remain calm. Never get angry in public as this displays a lack of control
- Never chastise an employee in front of others. This is humiliating; have the discussion in private and explain why.

### The unhelpful myths

Myths abound in the world of management and below are some that need exploding.

#### 1. All employees must *believe* in the corporation

This is a corporate insanity which is simply unsustainable. Why should all employees have the same aspirations as the bosses?

Why would any intelligent employee think it sensible to believe when they are not privy to the inner sanctum decisions? They already know it's what they are not told that counts!

This sort of philosophy treats people as dummies and sets managers up to find those who aren't 'on the bus'. What is needed is to treat employees and their work with respect in an open culture of trust. Sensible companies pat themselves on the back if they get it 80% right...and think they're lucky.

### 1. Mistakes are not allowed

The less said about this lunacy the better. How on earth would an organisation like this ever become innovative? So are we to guess that somewhere in the organisation there is a lone genius making all the new discoveries without making any mistakes. This is indicative of a company that wants to employ clones who operate under tight management control.

### 2. Employees cannot break the rules

All silly rules should be broken; they cost the enterprise money and block progress. We should encourage staff to identify the silly rules so we *can* get rid of them. Some examples:

- Manager's offices are larger in accord with seniority. Shouldn't they be designed around what the manager does?
- Some companies have a common area for grouping senior managers. Shouldn't they be in the same area as their staff i.e. the ones who need to communicate with them the most?
- Car parks in front of the office are for management. What about giving them to the people who really count - the customers. Managers can park somewhere else especially if they use their cars infrequently during the day..

### 3. It's best to fire someone when 'personality clashes' occur

When it happens the less senior person is usually fired. Personality clashes can be

destructive but hasn't anyone figured out it may be the culture – not a personality thing. Maybe the culture is poor and the person involved does not feel they can fit in. It might be worth investigating to find out what the real cultural is.

### 4. Leadership is a position

Managers appointed to senior posts can believe they are natural born leaders. Sadly not in all cases; some are there because they were good managers who were promoted. Checking on and updating up business plans, running operations, managing budgets and timetables, supervising peoples tasks, allotting activities and operating to given guidelines are all management tasks, not leadership roles. The reality is for some that when they fail as leaders their name is taken off the door and replaced by someone else. The job and any prestige it might have held suddenly passes to the next person in the blink of an eye.

### Leaders as strategists

The business owner is the strategy maker and the business planner. It is up to the owner to create the value in the enterprise. What the owner wants is what the organisation usually gets.

The owner's aspirations drive the business. As the leader they must diligently look ahead because strategies can reach their natural limits more quickly now. They must search for innovation and change realising the world waits for no one. Knowledge is advancing so rapidly that whatever we have learned in the past may be rendered irrelevant in the future..

### Only achievers count in business

Business owners are unique in that the money the organisation loses is theirs! It's not a figure on a piece of paper or in a report, it's very real. Not surprising therefore that some owners don't tolerate under-performance.

The adage that only Achievers count is real for the business owner. Achievers are personified in the quote "One man of action is worth 10 armchair theoreticians". It's the doers who count in the end. Everest would never have been climbed if someone had not arisen from the armchair and climbed the mountain. Here are the 3 questions used when assessing the performance of those you manage –

determine the answers to the following before the interview starts:

**Step 1.** Is this person an achiever?

If 'yes' go to question 2.

If not – consider firing them – they are losing your money.

**Step 2.** Do we want to keep this person?

Not all achievers are good role models and it may be that this person needs to go.

If the answer is 'yes' go to question 3.

If not – consider firing them, they may be spoiling the jobs of others in the organisation.

**Step 3.** Are we doing enough to keep this person?

If 'yes' then heap praise and recognition on them because achievers need to be recognised for what they do.

If not, ask them what needs to be done to keep them and if they ask for more say 'Yes, you can have it but.....' Then negotiate what it is they need to do to earn the extra reward.

### Summary of the 10 simple truths about business leadership

- 1 You are only as good as your people and the average for the team.
- 2 Don't micro-manage employees. Teach them to be independently reliable – give them worth.
- 3 Remember what you do is what you get. The owner sets the examples that create the culture.
- 4 Role playing is the art of the good leader – we need to admire our leader's spirit and take it as our own.
- 5 Don't give your word unless you are going to be true to it - it's seen as trickery if you fail.
- 6 As owner you are accountable for everything. It's your business and you are responsible for it. Act that way.
- 7 Don't be a micro-manager who must know everything all of the time. The business will never be able to grow bigger than you.
- 8 Never get angry or chastise employees in front of others. It's disrespectful and they will get even!
- 9 Leave the party early. Do not get inebriated with staff. There is a gap between leaders and followers and becoming tipsy destroys the respect.
10. Don't take yourself too seriously; you are not curing cancer, you're running a business. Get over yourself.

**...and if you're lucky and if you do it right the wheel will NOT come off!!!!**

